

TODD TONORE

2/25/2005 IN RE: ADAMS GOLF INC., SECURITIES LITIGATION

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1 UNITED STATES DISTRICT COURT
2 DISTRICT OF DELAWARE

3 IN RE: ADAMS GOLF, INC.,)
4 SECURITIES LITIGATION) CIVIL ACTION NO. 99-371-KAJ
5) (CONSOLIDATED)
6
7

8 ORAL DEPOSITION OF
9 TODD MICHAEL TONORE
10 FRIDAY, FEBRUARY 25, 2005
11

12 ORAL DEPOSITION OF TODD MICHAEL TONORE,
13 produced as a witness at the instance of the Defendants
14 and duly sworn, was taken in the above-styled and
15 numbered cause on the 25th day of February 2005, from
16 10:01 a.m. to 12:40 p.m., before RANDALL N. FINCH, CSR
17 in and for the State of Texas, reported by machine
18 shorthand, at the offices Akin Gump Strauss Hauer &
19 Feld, L.L.P., 300 West 6th Street, Suite 2100, Austin,
20 Texas 78701, pursuant to the Federal Rules of Civil
21 Procedure and the provisions stated on the record or
22 attached hereto.
23
24
25

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APPEARANCES

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TODD MICHAEL TONORE,

having been first duly sworn, testified as follows:

EXAMINATION

BY MR. AHART:

Q. Good morning, Mr. Tonore.

A. Good morning.

Q. My name is Chris Ahart and I represent the
 Adams Golf defendants in this case, which is Adams
 Golf, Inc. and individual defendants.

A. Right.

MR. McEVoy: I'm Ted McEvoy from Simpson,
 Thacher & Bartlett. I represent the underwriter
 defendants in this case.

THE WITNESS: Okay.

Q. (By Mr. Ahart) Okay. To start off, let's just
 get a few preliminary things out of the way.

A. Okay.

Q. Could you please state and spell your full
 name for the record.

A. Okay. It's Todd Michael Tonore. T-o-d-d.
 Michael, M-i-c-h-a-e-l. Tonore, T-o-n-o-r-e

Q. And what is your date of birth?

A. 11/6/61.

Q. Okay. Have you ever taken a deposition
 before?

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A. No.

Q. Okay.

MS. FOX: Taken? I thought only lawyers
 did that.

MR. AHART: Oh, I'm sorry.

Q. (By Mr. Ahart) Have you ever given a
 deposition before --

A. Given, no.

Q. Okay.

A. No.

Q. Okay. Well, let's go over some basic ground
 rules for how this is going to take place.

A. Okay.

Q. Please remember that you are under oath.

A. Okay.

Q. This is the same oath that you would give if
 you were in court. You must testify truthfully.
 Please remember to answer my questions audibly, so
 avoid nodding or saying uh-huh or --

A. All right.

Q. -- something like that, because it's difficult
 for the court reporter to record those answers. Also,
 for the sake of the court reporter, please wait until I
 finish a question before you answer, just because he
 can't record both of us speaking at the same time.

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1 A. Right.
 2 Q. Please don't hesitate to tell me if you don't
 3 understand a question. I will do my best to explain a
 4 question as best I can. I'll try to be clear, but feel
 5 free to ask me --
 6 A. Okay.
 7 Q. -- if you don't understand something. If you
 8 do answer a question that I ask, then I'll assume that
 9 you understood what I asked you.
 10 A. Okay.
 11 Q. If you need a break, just say so. And we can
 12 take a break anytime that you want to. But please
 13 don't leave a question pending. If I've asked you a
 14 question, please try to answer it as best you can
 15 before you request a break.
 16 A. Okay.
 17 Q. When answering a question, don't guess. Okay?
 18 I am entitled to your best recollection of the events.
 19 It's difficult to remember everything exactly.
 20 A. Right.
 21 Q. But please don't guess.
 22 A. Okay.
 23 Q. Okay. And then just a final few questions.
 24 Is there any reason that you can't give your best
 25 testimony here today?

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1 A. No.
 2 Q. Okay. Are you under any mental or physical
 3 condition or any medications that would prevent you
 4 from testifying truthfully or accurately?
 5 A. No.
 6 Q. Okay. Okay. Let's talk about a few personal
 7 details. What is your current address?
 8 A. I'm with Bancroft Bag, Incorporated. We're a
 9 paper bag manufacturing company out of Monroe,
 10 Louisiana, which is my hometown. I have been with
 11 Bancroft for 20 years. I am the sales manager for
 12 Bancroft. I have sales people all over the country.
 13 We manufacture any type of paper bag you would see when
 14 you walk into a grocery store. Old Roy pet food,
 15 Kingsford, Royal Oak, Hall -- gift bags for Hallmark,
 16 motion sickness bags for the airlines.
 17 We're a -- we're a -- what's -- what you
 18 would call a multi-wall bag producer. We have -- we're
 19 about a hundred million dollar a year company,
 20 privately held by one gentleman, Toby Bancroft. And
 21 like I said, I have been with Toby for more than 20
 22 years
 23 MS. FOX: Okay. Could we go off the
 24 record a second?
 5 (Discussion off the record)

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1 Q. (By Mr. Ahart) Let's go back on the record.
 2 What is your current home address right now?
 3 A. 1024 Pebble Beach in Mansfield, Texas, which
 4 is just south of Fort Worth.
 5 Q. Did you live at this address during 1998 and
 6 1999?
 7 A. Yes, I did.
 8 Q. Okay. And do you have a home telephone
 9 number?
 10 A. (817) 453-5519.
 11 Q. Okay. Are you married?
 12 A. Yes. Married.
 13 Q. Okay. How long have you been married?
 14 A. Been married 12 years.
 15 Q. And what's your wife's employment?
 16 A. Real estate agent.
 17 Q. Okay. Okay. Let's discuss your educational
 18 background leading up to your career.
 19 A. Okay.
 20 Q. Where did you attend high school and when?
 21 A. Monroe, Louisiana, graduated in 1980.
 22 MS. FOX: That answers it.
 23 THE WITNESS: All right. Sorry.
 24 Q. (By Mr. Ahart) Did you go to college?
 25 A. Yes.

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1 Q. Okay. When did you go to college?
 2 A. '80 to '84.
 3 Q. Where did you go?
 4 A. Northeast Louisiana University in Monroe.
 5 Q. Okay. What was your degree?
 6 A. Sales -- marketing.
 7 Q. Okay.
 8 A. Business. Business marketing.
 9 Q. And that was your major?
 10 A. Right.
 11 Q. Did you have a minor?
 12 A. The minor was in marketing. Major was in
 13 business.
 14 Q. Okay. So I take it that you had some classes
 15 with financial business accounting or --
 16 A. Sure.
 17 Q. -- economics backgrounds and things of this
 18 nature? Okay.
 19 A. Correct.
 20 Q. Okay. Did you go to graduate school?
 21 A. No.
 22 Q. Okay. In connection with your job at Bancroft
 23 or anything before, have you attended any seminars or
 24 trade courses or company classes?
 25 A. Sure.

3 (Pages 6 to 9)

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1 Q. Okay. What kind of topics have those courses
2 typically covered?

3 A. Well, a lot of quality type classes, ISO
4 classes, some management classes from SMU business
5 school in Dallas.

6 Q. Is that the Cox Business School?

7 A. Right.

8 Q. Correct?

9 A. Right.

10 Q. Okay. Are you a member of any professional
11 societies?

12 A. No.

13 Q. Do you have any other education certifications
14 or professional licenses or anything of that sort?

15 A. (Witness shakes head) I'm sorry. No.

16 Q. And I think we have addressed this next
17 question already, but it sounds like you've worked for
18 Bancroft since you left college. Has that been your
19 only job since you left college?

20 A. I sold pharmaceuticals for one year right out
21 of college and then went to work for Bancroft.

22 Q. And who did you sell pharmaceuticals for?

23 A. Fisons, F-i-s-o-n-s, a Johnson & Johnson
24 company.

25 Q. Okay. Did you serve in the military at any

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1 some of the basic issues in this lawsuit. Who are you
2 suing in this case?

3 A. Barney Adams, Adams Golf, and directors at the
4 time of the IPO, and the company that actually assisted
5 them in taking the company public. And I assume that
6 would be his company.

7 Q. And by company, you mean the underwriters
8 that --

9 A. Underwriters, yes.

10 Q. Okay. Can you talk briefly about why you're
11 suing my clients?

12 A. Basically because I've -- I lost a lot -- a
13 tremendous amount of money. I feel like I was misled.
14 And I'm representing the class that also lost a lot of
15 money that I feel was misled.

16 Q. And how do you believe they were misled?

17 A. I think they were -- there was information
18 withheld at the time of the IPO that later -- shortly
19 afterward affected the stock price to do what it did in
20 a six-month period, go from a little over 18 all the
21 way down to three or wherever it is. I don't even know
22 where it is today.

23 Q. Okay. And so you believe it was this withheld
24 information that caused the stock price -- conceivably,
25 this information that was withheld is what caused the

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1 time?

2 A. No.

3 Q. When did you first learn that you would have
4 to give a deposition in this case?

5 A. About a month ago.

6 Q. Okay. Who told you?

7 A. I was contacted by Elizabeth.

8 Q. Okay. Who have you met with personally to
9 prepare for this deposition?

10 A. No one other than Elizabeth.

11 Q. Okay. How many times have y'all met with one
12 another?

13 A. Just once, this morning.

14 Q. Okay. How long did you meet?

15 A. Thirty minutes.

16 Q. Okay. And this was the first time that you
17 had personally met with your attorneys before today?

18 A. Yes.

19 Q. Okay. Have you communicated with anyone else
20 at all in preparation for your deposition today?

21 A. No.

22 Q. Okay. Did you review any documents to prepare
23 for this morning's deposition?

24 A. No.

25 Q. All right. Let's move on and just talk about

Page 13

1 stock price to decline after the offering?

2 A. Yes.

3 Q. What evidence do you have to support your
4 belief?

5 A. Evidence? There was a lot printed, lot of
6 press releases, once the -- once Adams Golf announced
7 why the stock price was declining. I was -- I
8 purchased my stock through A. G. Edwards and I was
9 given information off of their Web sites and -- and off
10 of the Adams Golf Web site that basically stated the
11 reason for the decline in the stock.

12 Q. Okay.

13 A. Or their -- their -- their reason.

14 Q. So you -- you reviewed the company's press
15 releases? Adams Golf? By company, I mean Adams Golf.

16 A. Yes, through -- via the Internet, through
17 information that I could pull up basically off --
18 through my brokerage company.

19 Q. Okay. Did you also review any general
20 articles about the industry or other newsprint sources
21 that may have discussed Adams Golf, or just
22 primarily -- just releases by the company?

23 A. I couldn't turn the TV on without seeing
24 Barney Adams. I mean, there was a tremendous amount of
25 advertising being done by Adams Golf at that time.

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1 There was no -- no indication at the time of the IPO
 2 that there was any information being withheld. But
 3 after -- after the fact, the stock dove and then the
 4 information was revealed.
 5 Q. Okay.
 6 A. And I believe they called -- referred to it as
 7 gray marketing.
 8 Q. Mm-hmm. What facts do you know to support
 9 your belief that this information was withheld, other
 10 than these press releases that you read or other
 11 information you may have seen on the news?
 12 A. None.
 13 Q. None?
 14 A. Other than what I read.
 15 Q. Okay. You touched briefly on this, but can
 16 you just for the record identify the defendants that
 17 are in this lawsuit?
 18 A. Defendants. Again, I -- I don't know
 19 directors' names. I -- Barney Adams being the owner of
 20 the company, and I want to say it's Lehman or whoever
 21 helped -- I'm trying to think of the term. His company
 22 basically. The underwriters.
 23 Q. Okay.
 24 A. I can't think...
 25 Q. Can you name any of the individual director

Page 15

1 defendants --
 2 A. No.
 3 Q. -- at all?
 4 Okay. And other than Lehman Brothers,
 5 can you name any of the underwriter defendants?
 6 A. No.
 7 Q. Okay. Can you give me the names, titles or
 8 responsibilities of the people that have been named as
 9 defendants in this suit, particularly any of the
 10 officers that used to be in the company?
 11 A. No. Only Barney Adams.
 12 Q. Okay. Do you know how many defendants there
 13 are in total?
 14 A. No.
 15 Q. In 1998, which is the time of the IPO, can you
 16 tell me what sort of business Adams Golf was in?
 17 A. The golf business. They manufactured a club
 18 to -- to basically replace drivers and woods, a variety
 19 of woods in the golf business.
 20 Q. Do you know the name of the particular product
 21 that was so popular at that time?
 22 A. Tight Lies.
 23 Q. Tight Lies clubs?
 24 Do you know how Adams Golf marketed its
 5 products and sold its products at that time?

Page 16

1 A. Yes. They -- I played with the product and I
 2 was only able to purchase it through a -- the country
 3 club which I'm a member of. And I was -- I was told
 4 that it was marketed through specialty shops and not
 5 discount houses.
 6 Q. Okay. Were the clubs available through any
 7 other sources other than through specialty shops or
 8 golf pro shops?
 9 A. At the -- at the time of the IPO, no.
 10 Q. Okay.
 11 A. Not to my knowledge.
 12 Q. You said at the time of the IPO you saw Barney
 13 Adams' face all over the place, so --
 14 A. Oh, sure.
 15 Q. Did you see these advertisements for the
 16 company or for Barney in television or on the radio or
 17 both or --
 18 A. Everywhere.
 19 Q. -- in newsprint?
 20 A. Everywhere. Newsprint, infomercials,
 21 television commercials, just about everywhere. Golf
 22 publication magazines, anything that related to golf,
 23 that -- you know, that was the hot item back then and
 24 it was all -- it was stamped everywhere.
 25 Q. Mm-hmm. Do you know why the product was

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1 considered to be so hot, as you say, at that time?
 2 A. It was a very good product. It was -- I have
 3 no -- you know, I've always said that it was a good
 4 product. That was one of my reasons for buying the
 5 product. It was a good product.
 6 Q. Do you remember when you first learned about
 7 the IPO?
 8 A. When I first learned about the IPO? Maybe a
 9 day or two before the IPO.
 10 Q. Okay. So it was shortly before the IPO --
 11 A. Right.
 12 Q. -- actually occurred?
 13 A. Right.
 14 Q. But I guess before the IPO occurred you had
 15 already been following the company or --
 16 A. No, I had been --
 17 Q. -- you did you not start following the
 18 company really until you heard about the IPO itself?
 19 A. No, I followed the company because I was
 20 playing with their equipment for a year before they
 21 took the company public.
 22 Q. So you think you -- you actually purchased a
 23 Tight Lies club sometime in 1997?
 24 A. Sure.
 25 Q. Do you know who Barney Adams is personally or

5 (Pages 14 to 17)

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1 Q. Okay. And what is your understanding of what
2 that means?

3 A. To me, gray marketing could be -- I believe it
4 means the products were -- were put in the hands of
5 someone that sold the products to a discount -- or at a
6 discounted rate. And they were -- and for that to
7 happen, I feel the products were sold at a discounted
8 rate so that that could happen.

9 Q. Okay. Who do you believe sold the clubs at a
10 discounted rate to these retailers?

11 A. I believe Adams Golf manufactured the clubs
12 and sold the -- sold the clubs to someone or -- or some
13 company, I'm not sure, that wound up selling the clubs
14 into -- into a discounted market like a Costco or a
15 Wal-Mart.

16 Q. Do you think Adams Golf actually sold clubs
17 directly to these discounters?

18 A. No.

19 Q. Okay. And back to the gray market issue, do
20 you remember when Adams Golf first disclosed that there
21 were gray market problems?

22 A. After the initial public offering when the
23 stock began to fall.

24 Q. Okay.

25 A. It was -- that was the first time I had heard

Page 23

1 the term "gray marketing" or read it anywhere. I never
2 read it anywhere before that time.

3 Q. Okay. Let's turn to page 24 of the
4 prospectus. And if you'll look at that second full
5 paragraph --

6 A. Mm-hmm.

7 Q. There's a sentence there on the third line, in
8 the middle of the third line that starts off with "To
9 preserve..."

10 A. Right.

11 Q. So I'm going to read it aloud. "To preserve
12 the integrity of its image and reputation, the company
13 limits its distribution to retailers that market
14 premium quality golf equipment and provide a high level
15 of customer service and technical expertise. The
16 company currently sells its products to on- and
17 off-course golf shops and selected supporting goods
18 retailers. The company believes that selective retail
19 distribution helps its retailers to maintain profitable
20 margins and maximize sales of Adams products."

21 Do you believe this is a true statement?

22 MS. FOX: Wait a second. I don't think
23 you read the whole thing.

24 THE WITNESS: No.

25 MS. FOX: You read -- did you read, "The

Page 24

1 company does not sell its products through
2 price-sensitive general discount warehouses, department
3 stores or membership clubs?

4 THE WITNESS: No.

5 MR. AHART: I'm sorry, I must have been
6 paraphrasing it a little bit.

7 MS. FOX: Just skipped it.

8 MR. AHART: I apologize.

9 THE WITNESS: Yes, I believe that -- I
10 believe the statement when that last sentence is
11 included.

12 MR. AHART: Okay. And --

13 MS. FOX: I'm sorry. What was that in
14 response to?

15 THE WITNESS: The last sentence, "The
16 company does not sell its products through
17 price-sensitive general discount warehouses, department
18 stores or membership clubs."

19 MR. AHART: But my question was whether
20 he believed that was a true statement. Can we go off
21 the record for a second?

22 (Discussion off the record)

23 Q. (By Mr. Ahart) We'll go back on the record.

24 Okay, let me read this --

25 A. Okay.

Page 25

1 Q. -- section to you again, and my question to
2 you is: Do you believe that the following statement
3 that I'm going to read which is in the prospectus is
4 true?

5 A. Okay.

6 Q. "To preserve the integrity of its image and
7 reputation, the company currently limits its
8 distribution to retailers that market premium quality
9 golf equipment and provide a high level of customer
10 service and technical expertise. The company currently
11 sells its products to on- and off-course golf shops and
12 selected supporting goods retailers. The company does
13 not sell its products through price-sensitive general
14 discount warehouses, department stores or membership
15 clubs. The company believes its selective retail
16 distribution helps its retailers to maintain profitable
17 margins and maximize sales of Adams products."

18 Do you believe this statement is true?

19 A. Yes, I do.

20 Q. Let's turn to page 29. And if you will see
21 down there the second full paragraph from the bottom
22 where it says "Sales to retailers," in capital print?

23 A. Yes.

24 Q. I'm going to read this excerpt to you as well,
25 and please tell me if you believe that this is a true

7 (Pages 22 to 25)

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1 statement: "The company sells a significant majority
2 of its products to selected retailers. To maintain its
3 high quality reputation and generate retailer loyalty,
4 the company does not sell its products through
5 price-sensitive general discount warehouses, department
6 stores or membership clubs."

7 Do you believe that's a true statement?

8 A. I believe that was their intention. That's
9 not what wound up happening.

10 Q. But do you believe it was a true statement at
11 the time of the IPO?

12 A. No.

13 Q. And why do you not believe it was true at the
14 time of the IPO --

15 A. Because I think they -- I think they knew
16 their products were in -- in discount warehouses,
17 department stores and membership clubs. I -- I know
18 they knew they were in membership clubs.

19 Q. Well, why do you believe that the company knew
20 at the time of the IPO that they had clubs in those
21 stores?

22 A. Well, they later admitted they knew that there
23 were clubs in Costco, because they sued Costco.

24 Q. Did they admit that they knew at the time of
25 the IPO that there were clubs in those stores?

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1 Q. (By Mr. Ahart) Mm-hmm.

2 A. But I didn't go -- I haven't been through it.

3 Q. So the most recent time that you saw it was
4 this morning?

5 A. Yes.

6 Q. Do you remember when you saw it last before
7 this morning?

8 A. Maybe four months ago while going through my
9 files. I had a copy of it in my files. I believe I
10 received it six -- six to eight years ago, when -- once
11 the class was filed.

12 Q. Okay. Can you talk about what investigation
13 that you may have performed before this consolidated
14 complaint was filed?

15 A. The investigation -- what I did was contact a
16 family lawyer once I had lost a large sum of money
17 to -- I was personally going to pursue a lawsuit
18 against Barney Adams and Adams Golf. And I was advised
19 at that time to join the class. There was a class
20 formed and I was advised by him to join the class.

21 Q. Did you help prepare the complaint at all?

22 A. No.

23 Q. Did you read the complaint before it was
24 filed?

25 A. I'm -- I have no knowledge of that. It's been

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1 A. Yeah, they knew.

2 Q. Okay. All right, let's move on to the next
3 Exhibit. And I'm going to hand you what has been
4 marked as Defendant's Exhibit 2.

5 (Defendant's Exhibit No. 2 marked)

6 A. Are we through with this?

7 Q. Just set it aside there.

8 A. Okay.

9 MS. FOX: This is the complaint.

10 Q. (By Mr. Ahart) Do you recognize this document?

11 A. Yes.

12 Q. Can you tell me what it is?

13 A. That is a copy of the lawsuit.

14 Q. When did you first see this?

15 A. My best recollection, it's been -- I'm not
16 sure.

17 Q. That's okay. When did you most recently see
18 it?

19 A. When did I most recently see it? Maybe four
20 months ago, digging through my old files.

21 MS. FOX: You should include anything you
22 saw this morning talking to me.

23 THE WITNESS: Okay. Well, I mean,
24 she -- we didn't go through it. She showed me this --
25 a copy of this today, this morning when we met.

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1 so long ago. I'm not sure. I don't -- if you would
2 show it -- are you talking about this?

3 Q. This particular complaint.

4 A. Not before it was filed, no.

5 Q. Okay. And so you did not review the complaint
6 for accuracy or anything like that before it was filed?

7 A. No. I -- the law firm that -- that took this
8 case, I joined the -- the class and then was asked
9 later to be whatever my title is today here. I'm
10 legal -- I don't know the legal term for what I am in
11 this lawsuit.

12 MS. FOX: Lead plaintiff.

13 THE WITNESS: I'm to be the lead
14 plaintiff.

15 Q. (By Mr. Ahart) Okay. Do you consider yourself
16 a careful person when it comes to looking through and
17 reviewing documents?

18 A. Not necessarily, not documents that -- no,
19 sir.

20 Q. Okay. But is accuracy important to you when
21 you're reviewing important documents?

22 A. Sure.

23 Q. Did you do anything to satisfy yourself either
24 before or after this complaint was filed to make sure
25 that the statements in that complaint were accurate?

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1 Q. When investigating matters in this complaint?
 2 A. No, sir.
 3 Q. Have your attorneys told you that they have
 4 spoken to any third parties while investigating this
 5 complaint?
 6 A. I have no knowledge, no. I have no knowledge
 7 who my attorneys have spoken to.
 8 Q. Okay. Let's move on to Defendant's Exhibit 3.
 9 (Defendant's Exhibit No. 3 marked)
 10 MS. FOX: Okay, Exhibit 3.
 11 Q. (By Mr. Ahart) Have you seen this document
 12 before?
 13 A. I do not recall.
 14 Q. Can you tell me --
 15 A. Other than this -- this morning, see a copy of
 16 it. I just --
 17 Q. Did you review a copy of it with your attorney
 18 this morning?
 19 A. I saw the document. We did not review it.
 20 Q. Okay. Have you seen the document before this
 21 morning when you reviewed it with your attorney?
 22 A. Not to my knowledge.
 23 Q. Can you tell me what it is?
 24 A. Not being a lawyer, it looks to me like
 25 just -- it looks to me like names of people that are a

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1 member of the class.
 2 Q. Okay.
 3 MS. FOX: Don't guess. If you don't
 4 know --
 5 THE WITNESS: I don't know.
 6 MS. FOX: -- don't say.
 7 THE WITNESS: I mean, that's what I'm
 8 saying. I don't know.
 9 MS. FOX: If you want to read it back to
 10 him, you can. But that's not the point.
 11 THE WITNESS: Okay. I don't know what it
 12 is.
 13 Q. (By Mr. Ahart) So you don't know what these
 14 disclosures are about?
 15 A. No.
 16 Q. Let's look at page 4. Have you spoken to
 17 anyone that's listed in that response to No. 3? And
 18 take your time, it continues for a couple of pages.
 19 A. Okay. (Brief pause) No.
 20 Q. To your knowledge, do you know if your
 21 attorneys have spoken to any of these people?
 22 A. Again, I'm not sure who my attorneys have
 23 spoken to.
 24 Q. Okay. Let's turn to page 10. Can you tell me
 25 on question 5, No. 5 there at the bottom of the page?

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1 A. Mm-hmm.
 2 Q. Have you spoken with any of the people listed
 3 under No. 5?
 4 A. No, sir. Not on the -- I'm going to turn the
 5 page. No.
 6 Q. Okay. Do you know if your attorneys have
 7 spoken to anyone listed under five?
 8 A. Again, no knowledge.
 9 Q. Have you or to your knowledge have your
 10 attorneys spoken to anyone from W. D. C. McKinzey?
 11 A. No knowledge.
 12 Q. Who have you talked to?
 13 MS. FOX: What do you mean, who have you
 14 talked to?
 15 Q. (By Mr. Ahart) In this -- I'm sorry. Who have
 16 you talked to in this case, in investigating this
 17 claim?
 18 A. Other than information gained through the
 19 Internet, the only other action that I took was I went
 20 to the Adams Golf Web page and e-mailed their -- once
 21 the stock was falling, and e-mailed someone in
 22 their -- whoever receives that e-mail off of their Web
 23 page did respond to me that sales were still strong
 24 and -- and -- because my -- my basic question was, you
 25 know, what's going on? And even at that time there was

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1 nothing said about gray marketing, that sales were
 2 still strong and -- and debt was very low and
 3 everything that I had read via e-mail on the financials
 4 of the company were correct.
 5 Q. Okay. Let's go back to Defendant's Exhibit
 6 No. 2, which is the complaint.
 7 A. Mm-hmm.
 8 Q. And if we could go to paragraph 26, which I
 9 believe is on page 8?
 10 A. Okay. Here. Where are we at?
 11 Q. That's it.
 12 A. In here? Okay.
 13 MS. FOX: Yeah. Take some time just to
 14 read the page before you answer the question.
 15 THE WITNESS: Page 28?
 16 Q. (By Mr. Ahart) Page 8. And it's paragraph 26
 17 on page 8.
 18 A. Okay. Okay. Paragraph 26.
 19 MS. FOX: Take some time to read it
 20 before he asks some questions.
 21 THE WITNESS: Okay.
 22 Q. (By Mr. Ahart) Okay? In paragraph 26, the
 23 second sentence states that "Various sources have
 24 informed plaintiffs that prior to the effective date
 25 gray market distribution of Adams Golf's products was a

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<p style="text-align: right;">Page 42</p> <p>1 not privileged.</p> <p>2 MS. FOX: I don't believe that's correct.</p> <p>3 And he's not going to be -- he can ask me, but I'm not</p> <p>4 going to give any response. And in fact, I don't know,</p> <p>5 so if that makes you feel any better. It's the kind of</p> <p>6 thing that needs to be in paper discovery, and we'll</p> <p>7 deal with that. We have objected to it as you know.</p> <p>8 There's no reason that you drag him through that.</p> <p>9 Q. (By Mr. Ahart) Okay. So that just for the</p> <p>10 sake of the record, are you refusing to reveal who your</p> <p>11 confidential sources are for that statement?</p> <p>12 THE WITNESS: I'm --</p> <p>13 MS. FOX: I'm objecting to that. There's</p> <p>14 no reason that he would know the confidential people.</p> <p>15 He hasn't -- and he is not refusing, he's simply saying</p> <p>16 he doesn't know.</p> <p>17 MR. AHART: Okay. Are plaintiffs'</p> <p>18 lawyers refusing to identify confidential sources?</p> <p>19 MS. FOX: When -- when it's a question</p> <p>20 addressed to a lay witness at a deposition, we</p> <p>21 certainly are. Our witnesses, unless they know the</p> <p>22 answers, are not going to tell.</p> <p>23 MR. AHART: Okay. I'm asking you. Are</p> <p>24 you going to refuse to --</p> <p>25 MS. FOX: Well, you haven't deposed me.</p>	<p style="text-align: right;">Page 44</p> <p>1 support the allegations in the complaint that you</p> <p>2 haven't mentioned so far?</p> <p>3 A. Repeat that.</p> <p>4 Q. Do you have any other personal knowledge that</p> <p>5 we haven't discussed so far in this deposition that</p> <p>6 would support allegations in the complaint?</p> <p>7 A. No.</p> <p>8 Q. Okay. Other than the misstatements or the</p> <p>9 omissions that we've already discussed, are there any</p> <p>10 other misstatements or omissions that you believe were</p> <p>11 made in connection with your purchase of the company's</p> <p>12 securities?</p> <p>13 A. No.</p> <p>14 MS. FOX: I would object to that again.</p> <p>15 As you know, there are other misstatements in the</p> <p>16 complaint. If he can't remember them now, so be it.</p> <p>17 The question is, do you remember others?</p> <p>18 THE WITNESS: I do not remember.</p> <p>19 Q. (By Mr. Ahart) Okay. When did you first</p> <p>20 become aware that you may have possible claims against</p> <p>21 Adams Golf and the other defendants in this case?</p> <p>22 A. When the stock went from 18 to three in a</p> <p>23 period of six months and -- and I was a \$50,000 loser.</p> <p>24 Q. Okay. So was it based on a share price</p> <p>25 decline that you felt that you might have a claim</p>
<p style="text-align: right;">Page 43</p> <p>1 So I'm -- you know, when -- when I'm under deposition</p> <p>2 you can -- you can get whatever answers I might have,</p> <p>3 but I'm not now.</p> <p>4 MR. AHART: Okay. Well, let's just move</p> <p>5 on.</p> <p>6 Q. (By Mr. Ahart) Paragraph 29, which is on the</p> <p>7 next page, it's page 9. It says, "According to various</p> <p>8 sources, prior to the effective date, Costco, an</p> <p>9 unauthorized discount retailer, alone had over 5,000</p> <p>10 Adams Golf clubs available for sale at its facilities.</p> <p>11 Can you tell me how you know Costco had those clubs?</p> <p>12 A. I did not know the number. I don't have proof</p> <p>13 of the number. But I do -- the way I found out about</p> <p>14 Costco personally was through -- via e-mail information</p> <p>15 that was put out by various brokerage companies. When</p> <p>16 the word "gray marketing" appeared, Costco seemed to</p> <p>17 appear with it.</p> <p>18 Q. (By Mr. Ahart) Okay. Do you know when you got</p> <p>19 those e-mails?</p> <p>20 A. Yes. At the time -- I followed the company</p> <p>21 via -- not e-mails, but I followed the company's news</p> <p>22 presses and -- and information that was put out by the</p> <p>23 company via e-mail a couple of days before the IPO.</p> <p>24 Q. Okay. Other than what you've told me so far,</p> <p>25 is there any -- any other personal knowledge that would</p>	<p style="text-align: right;">Page 45</p> <p>1 against the company?</p> <p>2 A. Yeah. After reading the news</p> <p>3 about -- once -- once gray -- once I heard the term</p> <p>4 gray marketing, that is a -- at the point I knew that</p> <p>5 there may be a case against the company.</p> <p>6 Q. And you --</p> <p>7 A. I believe they withheld information.</p> <p>8 Q. Okay. And this information is just what you</p> <p>9 have learned through the company's own press releases?</p> <p>10 A. Not just the company's press releases but also</p> <p>11 through the brokerage release -- the brokerage house</p> <p>12 releases that I was using at that time, A. G. Edwards.</p> <p>13 Q. When did you first hear about this particular</p> <p>14 lawsuit?</p> <p>15 MS. FOX: You don't need to give a date.</p> <p>16 THE WITNESS: It was after I sold the</p> <p>17 stock -- after I had sold all the stock at three, so</p> <p>18 it's -- it had to be in '99. '98, '99. It's -- I've</p> <p>19 got that. Do you have that -- do you have a copy of</p> <p>20 that, my -- my stock trades?</p> <p>21 MS. FOX: Here. Are you going to make</p> <p>22 that an exhibit?</p> <p>23 MR. AHART: Yes.</p> <p>24 THE WITNESS: You've got this?</p> <p>25 Q. (By Mr. Ahart) Just so we make the record</p>

12 (Pages 42 to 45)

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1 clear --
 2 A. It would have been -- okay.
 3 Q. What you're looking at is a -- is marked --
 4 okay, well, I'll just introduce Exhibit 20. This is
 5 Defendant's Exhibit 27. It's Bates stamped TT 1
 6 through TT 2, and the title of the document is Adams
 7 Golf, Inc. certification pursuant to the federal
 8 securities laws. Okay, you can go ahead and discuss it
 9 now.
 10 A. Okay. Repeat your question.
 11 Q. When did you first hear about this lawsuit?
 12 A. It would have been in late '99.
 13 MS. FOX: Well, take a look at the first
 14 page. No point in just guessing when -- when you've
 15 got -- look at the -- read the first page.
 16 THE WITNESS: This one here?
 17 MS. FOX: Yeah.
 18 THE WITNESS: (Brief pause) It would
 19 have been -- I imagine -- it's been eight years or six
 20 years ago, but now in order for me to join the class I
 21 believe I had to -- to sign up 25 days after the IPO,
 22 or after the class was -- I had to sign up 25 days
 23 after the class.
 24 MS. FOX: Well, don't -- don't try and do
 25 that. Do you remember when you --

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1 Q. Did she contact you first?
 2 MS. FOX: Object. He said that he --
 3 THE WITNESS: Yeah, I contacted --
 4 MS. FOX: -- contacted Keller Rohrback.
 5 Don't try and trick him into that. It's not right.
 6 MR. AHART: Just asking him a question.
 7 MR. McEVOY: Liz, listen, nobody is
 8 trying to trick him.
 9 MS. FOX: Then you are trying to trick
 10 him. You know he's confused and you're trying to
 11 confuse him more.
 12 MR. McEVOY: Nobody's trying to confuse
 13 him.
 14 MR. AHART: Off the record.
 15 (Discussion off the record)
 16 MR. AHART: Back on the record.
 17 Q. (By Mr. Ahart) Do you know when the lawsuit
 18 was originally filed?
 19 MS. FOX: He's answered that. He doesn't
 20 know.
 21 THE WITNESS: I don't know.
 22 MS. FOX: It's ridiculous. You know, you
 23 keep asking him when you know he doesn't know. It's
 24 six years ago.
 25 MR. AHART: Yeah. Let's go off the

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1 MR. McEVOY: Could you let him finish his
 2 answer? I know you would like to tell him what to
 3 say --
 4 THE WITNESS: I had to sign up -- I had
 5 to sign the class. Once I was made aware, I had to
 6 join the class within 25 days after the -- after I
 7 was -- the class was filed. And I -- I believe I was
 8 made aware of the class in '99. I last sold the stock
 9 in July -- June of '99.
 10 Q. (By Mr. Ahart) Okay. And how did you learn
 11 about the suit?
 12 A. Just following the company via e-mail. I was
 13 a -- I read that Keller Ro -- R-o-h-r-b-a-c-k had taken
 14 the class and I contacted them and joined.
 15 Q. Okay. What did you hear about the lawsuit
 16 when you first heard about it?
 17 A. That there was a -- basically that there was a
 18 class action lawsuit against Adams Golf for withholding
 19 information about gray market distribution.
 20 Q. Do you know who first filed the lawsuit
 21 against Adams Golf?
 22 A. I was contacted by Juli from Keller Rohrback.
 23 I'm not sure who filed it.
 24 Q. And Juli is an attorney at Keller Rohrback?
 25 A. Yes.

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1 record for a second.
 2 (Discussion off the record).
 3 Q. (By Mr. Ahart) Are you aware that several
 4 individual suits have been filed against Adams Golf and
 5 that they were later consolidated?
 6 A. My only knowledge is that there were -- I'm
 7 only knowledgeable that there are two, that people that
 8 bought the stock on the initial IPO, there's a suit.
 9 And then I assume that the remainder of the people
 10 that -- that bought the stock within a 30-day period or
 11 so after the IPO, there's another suit. And that's the
 12 one that I'm -- I'm a member of.
 13 I did not buy the stock during the
 14 initial public offering. I did buy it the day of the
 15 initial public offering, but not -- I wasn't a part of
 16 the IPO.
 17 Q. Okay. Do you know whose idea it was to
 18 initially file the suit?
 19 A. No.
 20 Q. Do you know whose idea it was to file a class
 21 action?
 22 A. No.
 23 Q. Did you personally have any hesitation or
 24 concern about filing the suit or joining this suit?
 25 A. No.

13 (Pages 46 to 49)

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1 Q. Do you believe that you have any obligation to
 2 investigate the facts that are alleged in the
 3 complaint?
 4 A. Yes.
 5 Q. And what investigation exactly did you
 6 perform?
 7 A. Only other than, again, just information
 8 gathered via Internet that the company was publishing
 9 and my brokers were publishing.
 10 Q. Do you know who else investigated facts that
 11 are alleged in this complaint?
 12 A. I assume that the lawyers did, that filed the
 13 suit.
 14 Q. Okay. Let's move on to what we've already
 15 introduced at this point but it's Defendant's
 16 Exhibit 27.
 17 MS. FOX: That's your -- this is the
 18 actual exhibit but this is the original.
 19 MR. AHART: Ted, do you have a copy?
 20 MR. McEVOY: Yeah, I do. Thank you.
 21 THE WITNESS: Is that here?
 22 Q. (By Mr. Ahart) Yeah, with the green sticker.
 23 A. Okay. I've got you.
 24 Q. Can you tell me exactly what this document is
 25 in terms of how you understand it to be?

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1 A. It's just a document that -- that I
 2 received -- that I received a copy of the suit.
 3 Q. In this document, let's say on No. 3?
 4 A. Mm-hmm.
 5 Q. Do you see there it refers to quote, unquote,
 6 representative party. Can you tell me what your
 7 understanding of the term "representative party" means?
 8 MS. FOX: Object to the form. It says
 9 representative plaintiff. And I object to the form
 10 because it calls for a legal conclusion. But --
 11 Q. (By Mr. Ahart) I apologize. It does not say
 12 representative party. It says representative plaintiff
 13 and it's a misquote on my part.
 14 A. Okay.
 15 Q. Can you tell me what your understanding of the
 16 term representative plaintiff is in terms of the
 17 context of this case?
 18 A. I know my reason for serving. Is -- is that
 19 what you want?
 20 Q. Well, we could start with that.
 21 A. Are you asking -- well, my reason for serving
 22 is the fact I lost a tremendous amount of money, felt
 23 like I was misled, and I have an interest in
 24 representing other people that lost a tremendous amount
 25 of money that I'm sure in a lot of cases were not able

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1 to overcome it like I was.
 2 Q. Okay. Well, what is it -- what do you think
 3 it means for you to be a representative plaintiff on
 4 behalf of the other plaintiffs? And I'm not asking for
 5 a legal definition.
 6 A. Right.
 7 Q. Just your understanding of what that means.
 8 A. That basically I would be willing to go in
 9 front of a judge and tell him that I felt like I was
 10 misled.
 11 Q. Okay. Do you know whether you were appointed
 12 as a lead plaintiff in this case?
 13 MS. FOX: Object. Calls for a legal
 14 conclusion.
 15 Q. (By Mr. Ahart) You can answer the question.
 16 A. I do not.
 17 Q. Do you know who the other lead plaintiffs are
 18 in this case?
 19 A. No knowledge.
 20 Q. Okay. Do you know whether you're seeking to
 21 be named as a class representative by the court?
 22 MS. FOX: Object. It calls for a legal
 23 conclusion.
 24 Q. (By Mr. Ahart) You can still answer.
 25 A. I do not.

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1 Q. Can you describe for me in your own words who
 2 was in this plaintiff's class that you're trying to
 3 represent?
 4 A. In my own words, I believe members of
 5 other -- other stockholders that had bought Adams Golf
 6 stock and suffered losses as I did.
 7 Q. Can you tell me why you're seeking to serve as
 8 a class representative in this case?
 9 A. To possibly recoup some of the money that was
 10 lost by me and others -- other class members.
 11 Q. Can you tell me how many members are in the
 12 class?
 13 A. I have no clue.
 14 Q. Do you know if there's more than one class?
 15 A. I know there's --
 16 MS. FOX: Object. It calls for a legal
 17 conclusion. But I think he's described the --
 18 THE WITNESS: Yeah, I know of -- as I
 19 said earlier, I know of two classes, and that's -- you
 20 know, the ones that bought the stock on -- on the IPO
 21 and then the ones that bought it within a 30-day period
 22 after the IPO.
 23 Q. (By Mr. Ahart) Okay.
 24 A. That's the only -- my only knowledge of the
 25 two classes.

14 (Pages 50 to 53)

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1 Q. Do you know if other class members bought
2 Adams Golf stock?
3 A. I have no knowledge.
4 Q. Do you know why --
5 MS. FOX: I object. He already defined
6 the class as people who bought Adams Golf stock. And
7 you -- that's a clear case of your trying to confuse
8 him, asking the question backwards so he'll be
9 confused.
10 MR. AHART: I'm just asking if he knows
11 that they bought stock.
12 Q. (By Mr. Ahart) And I understand what your
13 understanding is of the class, and I'm just asking if
14 you know whether or not they purchased stock.
15 A. Do I know if they bought stock? I have no
16 knowledge of that.
17 Q. Okay. Do you know when the alleged class
18 period begins?
19 MS. FOX: Again, it calls for a legal
20 conclusion. I think he has described that.
21 Q. (By Mr. Ahart) It's not a legal conclusion.
22 Can you just answer the question? Do you know when the
23 class period begins?
24 A. No.
25 Q. Do you know when it ends?

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1 A. I would assume at trial.
2 Q. Do you know why the class begins on a certain
3 date and ends on another date?
4 A. No.
5 MS. FOX: Objection; calls for a legal
6 conclusion.
7 THE WITNESS: I'm not a lawyer.
8 Q. (By Mr. Ahart) Do you know how the Section 11
9 subclass will trace your stock for the IPO?
10 A. No, I don't. I'm not a lawyer.
11 MS. FOX: First off, do you know what the
12 Section 11 subclass is?
13 THE WITNESS: I do not. No.
14 MS. FOX: Explain what it means, then, if
15 you -- maybe he can -- but it definitely calls for a
16 legal conclusion. Not even the courts agree on it.
17 Q. (By Mr. Ahart) Can you tell me how you're
18 going to trace your stock back to the IPO?
19 A. I have record of my buy and sells.
20 Q. Okay. Do you think your claims are typical of
21 the class of plaintiffs that you're purporting to
22 represent?
23 A. I would think -- yes, I do.
24 Q. Why do you think that?
25 A. I believe the class would not have been

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1 written in the manner it was written by the lawyers
2 if -- if that wasn't the case.
3 Q. Do you know how many other proposed class
4 representatives there are for this case?
5 A. No.
6 Q. Did you know that Federated National Insurance
7 Company withdrew as a proposed class representative?
8 A. No.
9 Q. Have you ever met with any of the other
10 proposed class representatives?
11 A. No.
12 Q. Can you generally discuss for me what you
13 understand to be your responsibilities to the class as
14 a class representative?
15 A. I understand I -- I may have a responsibility
16 to agree or disagree with an offer and I may
17 have -- also have -- I will have a responsibility to
18 appear in court, if it goes that far.
19 Q. Can you tell me why you think that you in
20 particular will be an appropriate class representative
21 for the plaintiffs in this case?
22 A. Repeat that.
23 Q. In terms of your own understanding.
24 A. I think -- I think -- yes, I do understand the
25 question. I think I bought the stock in good faith and

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1 I -- I lost a tremendous amount of money and I feel I
2 was misled. And I think that is the general consensus
3 of the class.
4 Q. Can you tell me how much time you spent
5 fulfilling your duties in this case as a lead plaintiff
6 and as a class representative so far?
7 A. How much time? I've reviewed documents over
8 the last six years that have been sent to me through
9 the -- through the attorneys. Other than that, I have
10 spent no time.
11 Q. Can you estimate for us about how long you've
12 probably spent reviewing these documents?
13 A. Seven hours. I don't know.
14 Q. Do you have any other responsibilities that
15 might interfere with your ability to fulfill these
16 duties as a class representative and lead plaintiff?
17 A. No. I -- I'll -- nothing I can't work around.
18 Q. Would future travel to Delaware, if that was
19 necessary, impose any kind of burden on you?
20 A. Depending on the time, possibly. But I will
21 work around -- I will work with you any way I can, via
22 phone or -- or e-mail to give you whatever answers you
23 may need.
24 Q. Okay. In your mind, what do you stand to gain
25 as a class representative in this case?

15 (Pages 54 to 57)

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1 A. At this point it's not about the money.
 2 It's -- because I've overcome the money. It's about
 3 right and wrong. And it's about the people that are a
 4 member of this class that didn't overcome the money,
 5 that were misled by -- by a company and a group of
 6 gentlemen that made millions at the class' -- the class
 7 members and the shareholders' expense. It's criminal.

8 Q. What parts of the lawsuit do you intend to
 9 directly participate in beyond this deposition? For
 10 instance, let's say, the class certification hearing or
 11 any hearings or motions for summary judgment or
 12 anything of that sort?

13 A. I will participate wherever needed.

14 Q. Would you attend the mediation?

15 A. It -- define the mediation.

16 Q. Well, it's where the two parties come together
 17 and try to resolve their disputes outside of the formal
 18 court process is probably the easiest way to describe
 19 it.

20 A. If -- if the -- if the attorneys of the class
 21 choose to do that, yes.

22 Q. Have you been asked by your attorney to attend
 23 the mediation?

24 A. No.

25 Q. Okay. Would you attend the mediation that's

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1 Q. Okay. Can you discuss the details of that
 2 verbal agreement?

3 A. Yeah. I -- I am being paid nothing, zero.

4 And -- and whatever expenses I incur when
 5 needed -- when they need me, they will pay for it.

6 Q. Do you know who your attorneys are in this
 7 case?

8 A. I know Elizabeth.

9 Q. Okay. What firm is she with?

10 A. She's with Todd Collins, and the name of
 11 the -- I'm not familiar with the name of the firm.

12 Q. And how did you choose your attorneys in this
 13 case?

14 A. They were -- they were already attorneys
 15 on -- they were -- they already had the class action
 16 when I -- when I joined them.

17 Q. Do you have a fee arrangement with your
 18 attorneys in this case?

19 A. No.

20 Q. Do you have any understanding that's -- your
 21 attorneys will obtain some sort of contingency fee if
 22 you win this lawsuit?

23 A. Sure.

24 Q. Do you know what that percentage will be?

25 A. No.

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1 currently scheduled for June 1st, 2005?

2 A. June 1st. June 1st. I think I may be able
 3 to. Where is it at?

4 Q. I think it's Delaware, I believe.

5 MS. FOX: Delaware. Yeah.

6 THE WITNESS: If needed. If -- if not,
 7 again, by phone or -- or, you know, I will make myself
 8 available in one form or another.

9 Q. (By Mr. Ahart) Can you tell me who has the
 10 authority to settle this case?

11 A. Who has the authority to settle the case? I
 12 do not know.

13 Q. Do you plan on attending the entire trial, if
 14 necessary?

15 A. If necessary.

16 Q. Did you fly down here today?

17 A. Yes.

18 Q. Who paid for your flight to attend this
 19 deposition?

20 A. I did. But the -- I will be reimbursed by our
 21 lawyers.

22 Q. Do you have an agreement with your lawyers
 23 concerning your costs in acting as a class
 24 representative and lead plaintiff in this case?

25 A. Strictly verbal.

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1 MS. FOX: Object to the form. Sorry. He
 2 hasn't testified -- you can't ask what percentage if
 3 you didn't establish that there was a percentage. He
 4 doesn't know anyway, so...

5 Q. (By Mr. Ahart) Do you know how much your
 6 attorneys bill per hour?

7 A. No.

8 Q. Can you tell me how many times that you've
 9 physically met with your attorneys to date in this
 10 case?

11 A. This is it.

12 Q. How often do you speak with your attorneys,
 13 say, over the phone or by written communication about
 14 the status of this lawsuit?

15 A. Over the period of six years, maybe four times
 16 with -- Elizabeth would be the third attorney that's
 17 contacted me. Juli being the first, Todd Collins and
 18 now Juli. Or Elizabeth, excuse me.

19 Q. Who makes the strategy calls for pursuing this
 20 case?

21 A. The attorneys.

22 Q. If you disagree with an attorney's decision
 23 about how to handle a specific aspect of the case, what
 24 would you do?

25 A. I would contact Juli and -- and review it with

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1 her.

2 Q. If push came to shove, would you defer to the
3 attorney's judgment or would you make the call on what
4 to do?

5 A. I would defer to their judgment.

6 Q. Have you discussed the strengths and
7 weaknesses of your case in this particular lawsuit with
8 any of your attorneys?

9 A. Only this morning. I --

10 MS. FOX: Don't -- don't tell what you
11 discussed, just that you have discussed it.

12 THE WITNESS: Yes, I have discussed it.

13 Q. (By Mr. Ahart) Do you know whether a
14 settlement offer has been made in this case?

15 A. I'm not aware of one.

16 Q. Have you discussed the prospects of a possible
17 settlement with your lawyers?

18 A. No.

19 Q. Who do you believe is responsible for actively
20 managing and controlling this litigation?

21 A. The attorneys.

22 Q. Have you had contact with any other attorneys
23 other than the ones that you discussed today regarding
24 this particular case?

25 A. Only my family lawyer when I chose to join the

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1 they win this case?

2 A. No.

3 Q. If they could, would you be able to pay
4 defendants' costs?

5 A. No.

6 Q. Let's move on to a different aspect of the
7 case. Did you review the court's order on the
8 defendants' motion to dismiss?

9 A. Repeat that.

10 Q. Did you review the court's order, which was
11 ruling on the defendants' motion to dismiss that was
12 filed a few years ago?

13 MS. FOX: Again, it calls for
14 understanding of the legal terms here.

15 THE WITNESS: No, I did not.

16 Q. (By Mr. Ahart) So do you have any idea about
17 which parts of the plaintiffs' complaint were dismissed
18 by the court when it ruled on the defendants' motion to
19 dismiss?

20 MS. FOX: What court are you referring
21 to?

22 MR. AHART: Well, the district court.

23 MS. FOX: Again, it calls for a legal
24 conclusion.

25 THE WITNESS: Yeah. No knowledge.

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1 case. I was advised to join the case, the class.

2 Q. Have you agreed to reimburse your attorneys
3 for any costs in this case, regardless of the outcome
4 of the lawsuit?

5 A. No.

6 Q. Do you have any knowledge of what costs are
7 involved in this case beyond what we've discussed such
8 as class notice costs or reporter costs or anything
9 like that?

10 A. No.

11 Q. Do you know what the magnitude of these costs
12 might be in thousands or tens of thousands of dollars?

13 A. No idea.

14 Q. Have you taken any steps to manage the costs
15 incurred in this lawsuit?

16 A. No.

17 Q. Have you reviewed any monthly time and expense
18 reports prepared by your lawyers?

19 A. No.

20 Q. Do you know whether defendants could seek to
21 recover these costs of a lawsuit from you alone if they
22 win?

23 A. Repeat that again.

24 Q. Do you know whether defendants could seek to
25 recover their costs in this lawsuit from you alone if

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1 Q. (By Mr. Ahart) No knowledge?

2 A. No knowledge.

3 Q. Okay. What about the third circuit, the
4 appeals court?

5 A. Repeat the full question. You've -- you've
6 confused me with terms, with legal terms.

7 Q. Okay. I'm sorry. I'll try to explain it.

8 A. Okay.

9 Q. Defendants filed a motion to dismiss, which is
10 a basis to dismiss the complaint.

11 A. The defendant being Adams Golf.

12 Q. Adams Golf.

13 A. Okay.

14 Q. And the other defendants.

15 A. Okay.

16 Q. Because defendants claim that the complaint
17 was deficient for one reason or another. And the
18 district court ruled on that.

19 A. Right.

20 Q. And then it was appealed.

21 A. Right.

22 Q. And then the third circuit ruled on that.

23 A. Right.

24 Q. Do you know what claims in your -- in the
25 plaintiffs' complaint, the consolidated complaint, were

17 (Pages 62 to 65)

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<p style="text-align: right;">Page 66</p> <p>1 dismissed by either the district court or Third Circuit 2 Court of Appeals? 3 A. No. 4 Q. Okay. Did you ever review the Third Circuit 5 Court of Appeals order in this case? 6 A. No. 7 Q. Okay. Let's go back to Exhibit 27, which is 8 the documents that you -- or the document that you had 9 with you, and it's -- with the green sticker there at 10 the top. 11 A. Okay. 12 Q. And just so we know that the information in 13 here is correct and we don't need any further 14 clarification, can you confirm that all the information 15 in this document is in fact correct? 16 A. Yes. 17 Q. Okay. Let's move on now to Defendant's 18 Exhibit 5. I'll provide you with a copy, here we go. 19 Please take a moment or two to review the document. 20 (Defendant's Exhibit No. 5 marked) 21 A. (Brief pause) Okay. 22 MS. FOX: Take a look all the way 23 through, at least through page 5. 24 THE WITNESS: (Brief pause) 25 MS. FOX: Just skip that and go to</p>	<p style="text-align: right;">Page 68</p> <p>1 that? 2 A. No, I didn't keep it. Most all of that I've 3 accumulated through the Internet. 4 Q. Did you bring any additional documents, 5 responsive documents with you today? 6 A. No. 7 Q. Can you talk about the process that you went 8 through to gather responsive documents for this 9 request? 10 A. None, because I had none. 11 Q. Okay. But if your stock records were 12 destroyed, did you contact your broker? 13 A. Yes. 14 Q. And get a new record? 15 A. Yes. I contacted my broker, and he was going 16 to provide me with -- with records. And then I 17 contacted Elizabeth and she already had them from back 18 when I submitted them back in -- in -- six years ago. 19 Q. Okay. 20 A. And that's what you have a copy of here. So 21 he couldn't provide me with anything other than that. 22 Q. Did you contact anyone else other than your 23 broker about trying to gather some responsive documents 24 for these requests? 25 A. No.</p>
<p style="text-align: right;">Page 67</p> <p>1 page 5. 2 THE WITNESS: Go to page 5. I'm sorry. 3 Okay. 4 Q. (By Mr. Ahart) Have you ever seen that 5 document before? 6 A. Yes. It was sent to me by Elizabeth a month 7 ago. 8 Q. Okay. Have you produced any documents in 9 response to this document? 10 A. No, only -- I did not -- I did not have any 11 document remaining from eight years ago. I had a house 12 fire, and what documentation I had I no longer have. 13 Q. So the only copies you had were in the house? 14 A. Right. 15 Q. And they were destroyed in the fire? 16 A. Right. 17 Q. Can you tell us what kind of documents that 18 you did have that were destroyed? 19 A. Only documents that would back up the document 20 that I gave you showing my buy and trade, my by/sell 21 documentation. 22 Q. So it was just the stock transactions? 23 A. Right. 24 Q. You didn't have any newspaper articles or 25 clippings or a copy of the prospectus or anything like</p>	<p style="text-align: right;">Page 69</p> <p>1 Q. Did you turn over any other complaints of any 2 other lawsuits that you might have been a party to or 3 somehow a part of? 4 A. No. 5 Q. Have you ever been a part of any other 6 litigation? 7 A. Only as a witness one -- one other time. 8 Q. Can you talk about that case? 9 A. Yeah. When my house burnt down, I had bought 10 a golf cart -- a new golf cart, brought it home, 11 plugged it in to my garage, and a few minutes later my 12 house burnt down. So I -- my insurance company State 13 Farm sued the golf cart manufacturer and I 14 was -- when they -- I was with State Farm as a witness 15 against the golf cart manufacturer. 16 Q. Okay. And you testified as a witness for 17 State Farm? 18 A. Exactly. 19 Q. Okay. 20 A. So they could recoup the money that they had 21 paid me. 22 Q. Were they successful? 23 A. No. 24 Q. Okay. Let's move on to Defendant's 25 Exhibit 28. This is a new exhibit.</p>

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1 price of the product was driven down so fast that there
 2 were a lot of -- the club I was a member of, I can
 3 distinctly remember the head professional telling me
 4 that they're selling the clubs at Costco for 30 percent
 5 less than what I had to pay for them for Adams Golf.
 6 Q. Mm-hmm.
 7 A. So he would -- they -- he was stuck.
 8 Q. Do you know if gray marketing issues are
 9 limited to the golf industry?
 10 A. No. I know they're not limited to the golfing
 11 industry. I'm sure they're in -- in many other
 12 industries. You know, I've -- you know, you go to any
 13 foreign country, which I do, you see products being
 14 duplicated and -- and sold back into this country.
 15 Q. Okay. Do you think that gray marketing also
 16 encompasses, like you said, duplicate clubs or do you
 17 think that's a different issue?
 18 A. It could. It could mean duplication of clubs
 19 or it -- it could mean maybe someone just getting ahold
 20 of a large number of clubs and being able to get -- to
 21 supply a major chain.
 22 Q. Do you know -- go ahead. I'm sorry.
 23 A. I don't believe -- I don't believe -- you
 24 know, honestly, I don't believe that as a manufacturer,
 25 because I'm in the manufacturing business, I know where

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1 my products go. I think they knew who bought the
 2 products. And when you -- when I sell a large volume
 3 of products, not only do I know where they go, I know
 4 where they're going to wind up.
 5 Q. How do you know that?
 6 A. Just from knowing my customers and knowing the
 7 people I sell to. It's just business 101. I mean, you
 8 know, you -- you know where you're -- you have
 9 knowledge of -- if you don't know that, you shouldn't
 10 sell them. If you have no -- if you're going to lose
 11 control of your product anywhere in the -- in the -- in
 12 the chain from manufacture to customer, you shouldn't
 13 sell it if you're going to lose complete control of
 14 it.
 15 Q. Do you know at the time of the IPO in 1998 if
 16 there were any other golf companies that were affected
 17 by gray marketing?
 18 A. Not that I know of.
 19 Q. Have you ever experienced any gray marketing
 20 in your own business?
 21 A. No.
 22 Q. So there are no retailers that get ahold of
 23 the products that your company sells that shouldn't
 24 have them?
 25 A. No. We sell directly to manufacture -- to

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1 people that would actually field the products, so, no,
 2 it's...
 3 Q. Is it possible that someone who is
 4 unauthorized to get ahold of your products could get
 5 them?
 6 A. Well, the products we make are all custom.
 7 They're all printed with custom logos, so -- so, no,
 8 we're not selling a brand. We're not -- we don't have
 9 our own brand that we're selling. We're -- everything
 10 we do is custom.
 11 Q. Okay. Why did you first decide to invest in
 12 Adams Golf during the IPO?
 13 A. I was playing with the product. It -- it --
 14 still today I believe that it's a great product.
 15 People that I was surrounded around in the golf
 16 industry swore by the product. Everything I read was
 17 positive. The company had tremendous sales, very
 18 little debt. I had no reason not to buy the product or
 19 the stock.
 20 Q. Okay. Let's go back to Exhibit 27, which is
 21 one of the first exhibits that we went through. You
 22 have it right there.
 23 A. Okay.
 24 Q. And let's look at the second page, which is
 25 Bates labeled TT 2.

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1 A. I don't know whether I have that. Is that...
 2 Okay, my -- yeah, my stock trades. Okay.
 3 Q. Okay. Could you take a minute to review the
 4 information on this page and confirm for the record
 5 that these in fact are your trading records in Adams
 6 Golf stock at that time?
 7 A. That's correct.
 8 Q. The records indicate that you purchased 500
 9 shares on July the 10th, 1998. And then an additional
 10 number of shares up through January the 8th, 1999. I
 11 could read them out for the record if you want to.
 12 A. That's okay.
 13 Q. But if you trust my math, it adds up to 5,700
 14 shares?
 15 A. Sure. Yeah.
 16 Q. Do you know how many shares you purchased
 17 after the company first issued a press release about
 18 the gray marketing problems?
 19 A. I'm not -- I'm not quite sure. I know I did
 20 purchase some as the stock began to fall at -- at the
 21 advice of my broker in order to -- what -- the term
 22 they use is dollar cost average.
 23 Q. Okay. Can you describe for us what that means
 24 exactly?
 25 A. Well, it means if you bought a thousand

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1 at -- at 18, and then the stock fell to -- to 16, you
2 buy another thousand, your average cost is 17. You
3 just bring your average cost down so as the stock
4 falls, you can continue to buy it to get your average
5 cost down.

6 Q. Okay. But you would do this despite the fact
7 the company had issued this negative information about
8 its results?

9 A. Well, once -- once the negative information
10 was released, the company remained positive in the fact
11 that they continued to advertise, they continued
12 to -- they didn't admit necessarily that -- that their
13 business was going to suffer because of it. They
14 continued to do the things, business as normal.

15 Q. Mm-hmm.

16 A. And when I contacted the company direct,
17 that's basically the answer I received back. You know,
18 we're continuing to grow, we're -- we still have very
19 little debt. Our sales continue to be strong and...
20 And the -- and honestly, the people that I was -- when
21 I was using the product, people that I was playing golf
22 with, they continued to use it. It was a good product.
23 I didn't see the product going away and it still hasn't
24 gone away. It was a good product. It's a good
25 product.

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1 Q. Okay. On June 10th, 1999, you sold 2,040
2 shares. Why did you sell those shares?

3 MS. FOX: I think that's January. Am I
4 wrong?

5 MS. REED: July 10th.

6 MS. FOX: Oh, no. June. I'm sorry.

7 THE WITNESS: Where are you looking at
8 there?

9 Q. (By Mr. Ahart) The last entry there.

10 A. Right.

11 Q. 6/10/99, you sold 2,040 shares. Why did you
12 at that time decide to go ahead and sell at least a
13 portion of your holdings?

14 A. Financial reasons. I had -- I don't know
15 if -- I had had some of these stocks on margin, and I
16 had margin calls that I was forced to pay. So I
17 had -- I reached a point where I just couldn't go any
18 further. I -- I cut my losses and went and borrowed
19 money and paid off my margin calls.

20 Q. Do you still have shares in Adams Golf stock
21 at this time?

22 A. No.

23 Q. Okay. If we needed the records, could you
24 provide us with the records of the additional sales
25 until you finally exhausted your portfolio of Adams

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1 Golf stock?

2 A. That's it right there. That's when I
3 exhausted it 6/10/99.

4 Q. Well, but I could -- I mean, I may have made a
5 mistake, but I believe that there were 6,200 shares
6 purchased in total, and that last transaction only
7 shows two 2,040 shares being sold.

8 A. I'm not aware. I mean, this was the only
9 report that I -- that I received.

10 Q. Could you contact --

11 A. I was buying -- as you can see, in a six-month
12 period I was buying it. I can contact them, I'm not
13 sure what success I would have getting documentation
14 from Edward Jones that dates back to '98 or '99.

15 Q. Okay. But if we --

16 A. I'll try, yeah.

17 Q. If we asked you to, you could see if you could
18 get the records?

19 A. I'll make the call, yes.

20 Q. And for the purchases that did not occur
21 during the IPO, which would in this case be all of
22 them --

23 A. Right.

24 Q. Will you be able to trace these purchases back
25 to the IPO?

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1 MS. FOX: Again, I object to the form.

2 It's a -- calls for a legal conclusion. And it
3 isn't -- it's an issue that's not settled by the
4 courts, so it's particularly confusing to him.

5 Q. (By Mr. Ahart) You can still answer the
6 question.

7 A. I don't understand the question.

8 Q. Okay.

9 A. To be honest with you.

10 Q. Okay. At any time before you actually
11 purchased the shares, did you ever review any of the
12 documents that were issued by Adams Golf such as any
13 SEC filings or press releases or the prospectus that we
14 reviewed earlier?

15 A. Just press releases that were on the Internet
16 through my brokerage company and through the Adams Golf
17 Web site.

18 MS. FOX: Well, now, this is before you
19 purchased the shares. Were you following it before?

20 THE WITNESS: Before I actually -- yeah.
21 I mean, I went and looked at the financials before I
22 actually bought the first 500.

23 Q. (By Mr. Ahart) Mm-hmm. Okay.

24 A. And everything looked in place. I mean, they
25 had very little debt and they had high sales and there

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1 was no mention where I was looking of any upcoming or
2 existing problems.

3 Q. Okay.

4 A. It seemed to me that I was dealing with a
5 company that couldn't fail. Everything was in place.

6 Q. Did you ever read any analyst reports on the
7 golf industry?

8 A. No.

9 Q. Did you ever read any analyst reports that
10 were specifically discussing Adams Golf?

11 A. Again, only what was provided to me through
12 Edward Jones, which I -- I would think would come from
13 their stock analysts.

14 Q. Could you estimate for us roughly what
15 percentage of your total securities holdings comprised
16 the Adams Golf portion of your portfolio?

17 MS. FOX: At what period of time?

18 Q. (By Mr. Ahart) At 1998.

19 A. In 1998, approximately 30 percent.

20 Q. Okay. Do you know what stock exchange that
21 Adams Golf's shares were traded on at the time of the
22 IPO?

23 A. Yeah, it's -- it's NASDAQ.

24 Q. Okay. What is your understanding of how stock
25 prices are determined for a stock that's traded on this

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1 don't understand what you're --

2 THE WITNESS: As a -- give me an example.

3 Q. (By Mr. Ahart) I'm sorry. Other information
4 outside of just financial statement numbers.

5 MS. FOX: And you're talking about the
6 stock price at the time of the IPO or later on?

7 Q. (By Mr. Ahart) We could -- we could limit it
8 to the time of the IPO, but this would just be sort of
9 a general discussion of how you think the stock price
10 was --

11 A. Oh, yeah, I think there are other things that
12 they look at. I mean, they look at ownership, they
13 look at directors. They look at past history of
14 those -- these guys, track records. Health. I mean, I
15 wouldn't have bought stock in Barney -- in Barney's
16 company if I felt like he was going to die next year.
17 I mean, so, yeah, I think there's other things that
18 people look at when they go to invest in a company.

19 Q. If new information comes out on a company, how
20 quickly do you think that that information is
21 assimilated into the stock price on the exchange?

22 MS. FOX: Do you understand what that
23 means?

24 THE WITNESS: I think very quickly.

25 Especially the larger the company. There's a -- well,

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1 exchange?

2 A. Based on -- at the time of IPO?

3 Q. Just in general.

4 A. At the time of IPO, in general I would -- I
5 think it's based on financials that had been submitted
6 to the -- whether that would be the SEC, and I don't
7 think you can present false information when you're
8 taking a company public. I've never been involved with
9 taking a company public, so I really don't -- I don't
10 know, to be honest with you. But I would think
11 whatever you submit would have to be truthful and to
12 the best of your knowledge.

13 Q. But assuming that these financials are
14 truthful, do you think that these financial figures are
15 factored into the -- the eventual price of the stock
16 that it's traded on on the exchange?

17 A. I would -- I would imagine current financials
18 and projections and things of that nature would, yes,
19 affect the price of the -- of the stock at the time of
20 the initial public offering.

21 Q. Do you believe that --

22 A. Demand. Demand also.

23 Q. Do you believe that the other information is
24 reflected in the company's stock price?

MS. FOX: Well, I -- that's vague. I

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1 you know, I watched -- during that period I watched
2 CNBC an awful lot and they -- and they -- you know,
3 when news -- they would break news.

4 Q. Do you think this information would affect
5 your decision or influence your decision to invest in a
6 particular stock?

7 MS. FOX: When you say this information,
8 what do you mean?

9 MR. AHART: Well, the information that,
10 you know, is broken on CNBC or new information that's
11 released by a company.

12 MS. FOX: That's so vague, I -- I just
13 think that --

14 THE WITNESS: Yeah, I mean, it just
15 depends on, you know; what it is and who we're talking
16 about, really. I mean, it -- you know, they have
17 positive information all -- every day all day on that
18 show, and I don't buy all those stocks. So that's not
19 why I bought their stock.

20 Q. (By Mr. Ahart) What if there was negative
21 information about a company, would that influence your
22 decision?

23 A. Yes. Most definitely.

24 Q. Do you think that market factors in general
25 affect a company's stock price like global or

23 (Pages 86 to 89)

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1 Q. Basically you can't pay your debts.
 2 A. No.
 3 Q. Do you have any personal family or business
 4 relationship with your attorneys apart from your
 5 relationship in this suit?
 6 A. No.
 7 Q. Aside from being a shareholder, do you have
 8 any relationship with the defendant Adams Golf?
 9 A. No.
 10 MS. FOX: Well, I think he has talked
 11 about owning Tight Lies.
 12 THE WITNESS: Yeah, other than -- than
 13 using the product, no, I don't -- I don't know anyone
 14 there. I thought that was...
 15 Q. (By Mr. Ahart) Okay, here's our last exhibit
 16 and I'm going to hand you what has been previously
 17 marked as Defendant's Exhibit 12. And this one is
 18 fairly long, so please feel free to flip through it a
 19 little bit if you'd like.
 20 A. What is this in layman's terms?
 21 MS. FOX: This is the motion we met -- we
 22 made to form the class and it's the motion that you are
 23 now giving evidence about. This is the memorandum of
 24 law in support of that motion, which is obviously a
 25 legal document.

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1 THE WITNESS: Right. Okay.
 2 This -- I've -- I've never seen this.
 3 Q. (By Mr. Ahart) So you've never seen it before?
 4 A. No.
 5 Q. Can you tell us what it is, other than what
 6 your attorney just told you?
 7 A. No.
 8 Q. Okay. So you didn't help draft or write
 9 anything in the document?
 10 A. No, sir.
 11 Q. You didn't make any revisions to it?
 12 A. No.
 13 Q. And I guess you didn't review it before it was
 14 filed with the court or served on other parties?
 15 A. No.
 16 Q. Okay. Well, at this time I'm going to kind of
 17 review my notes and make sure that I don't have any
 18 followup questions, but in the meantime I'm going to
 19 let Mr. McEvoy here ask you a couple of questions.
 20 A. Okay. Sure.
 21 FURTHER EXAMINATION
 22 BY MR. McEVROY:
 23 Q. Okay. Good afternoon, Mr. Tonore. Thank you
 24 for your time so far, and I intend to be as brief as
 25 possible.

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1 A. Okay.
 2 Q. I don't mean to cover any ground that you've
 3 already covered.
 4 A. Right.
 5 Q. But as I noted before, I'm from Simpson,
 6 Thatcher & Bartlett and I represent the underwriter
 7 defendants in this case. I just wanted to go through
 8 briefly and touch on a couple of points.
 9 Now, I believe you said earlier that
 10 you understand that Lehman Brothers is an underwriter
 11 defendant in this case. Is that right?
 12 A. I've seen that name. I don't know. Is
 13 that -- where have I seen that name? I have just seen
 14 it in some documentation, but I'm...
 15 Q. Have you ever had any communications with
 16 anybody who works at Lehman Brothers?
 17 A. No.
 18 Q. Okay. None whatsoever?
 19 A. None.
 20 Q. Going back to the time of the IPO?
 21 A. No.
 22 Q. Any communications with anyone at Bank of
 23 America Securities, L.L.C?
 24 A. No.
 25 Q. Okay. Any communications with anybody at

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1 Nations Bank Montgomery Securities, L.L.C.?
 2 A. No.
 3 Q. And any communications with anyone at Ferris,
 4 Baker, Watts, Incorporated?
 5 A. No.
 6 Q. Okay. Can you tell me briefly what your
 7 understanding is of the role of an underwriter in
 8 connection with an initial public offering?
 9 A. I've never done one myself, but I would -- I
 10 would assume that your role would be as an underwriter
 11 to take the information that's provided to you and
 12 assist the company in taking their -- their company
 13 public.
 14 Q. Can you tell me briefly in your own words what
 15 it is that you allege the underwriters did wrong in
 16 this case?
 17 A. Only if the underwriters -- repeat that again
 18 now, what did the underwriters do wrong, basically?
 19 Q. Yeah.
 20 A. Okay, I'm --
 21 Q. I'm sorry. Can you read the question back?
 22 I'm sorry.
 23 (The record was read as requested.)
 24 THE WITNESS: In my own words, the
 25 underwriters may have done nothing wrong in this case

25 (Pages 94 to 97)

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1 Montague?

2 MS. FOX: I think Juli Desper in that

3 firm.

4 THE WITNESS: Yeah. In regard to fees?

5 Is that what the question is in regard to?

6 Q. (By Mr. McElvoy) Well, I would like to -- I

7 would like to ask you if you signed a retention

8 agreement, but I'm not sure if that's -- do you

9 understand what a retention agreement is?

10 A. I don't know what a retention agreement is.

11 Q. Okay. Have you signed any sort of piece of

12 paper which sets forth any of the terms of the

13 representation with any law firm in connection with

14 this case?

15 A. Only other than signing some documentation

16 when I joined the class, but I'm not -- to be honest

17 with you, I don't know what that documentation said or

18 really what it was.

19 Q. Okay. Have you given a copy of -- well,

20 strike that. The documentation that you signed when

21 you joined the class, is that this Exhibit 27 or is

22 that something else?

23 A. No, this was -- I joined the class six years

24 ago.

25 Q. Right.

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1 A. I signed this a month ago.

2 MS. FOX: No, no.

3 THE WITNESS: Is this --

4 MS. FOX: You signed that on the 8th day

5 of July.

6 THE WITNESS: Oh, okay. I've got you.

7 Of '99. But didn't I sign something like this a month

8 ago?

9 MS. FOX: You did.

10 THE WITNESS: Okay, I signed something

11 very close to this a month ago. Yes, I did sign this

12 back in '99.

13 Q. (By Mr. McEvoy) Okay. So would you say --

14 A. I didn't notice the date there, but she's

15 correct.

16 Q. Okay. So when you say the piece of paper that

17 you signed in connection with joining the class, that

18 would be this -- this document that's here, Exhibit 27?

19 A. Right.

20 MS. FOX: I'll object to the form.

21 Q. (By Mr. McElvoy) To the best of your

22 recollection?

23 A. That's the best of my recollection.

24 MR. McEVY: And can I just ask counsel,

25 the document that he signed a month ago, is that

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1 something --

2 MS. FOX: Yeah, he -- what he did was he

3 signed the answers to interrogatories and I do have his

4 signature there, but then as I explained to you

5 before -- can we go off the record?

6 (Discussion off the record)

7 Q. (By Mr. McEvoy) Mr. Tonore, have you had any

8 discussions -- and I apologize if this has been asked

9 before in some other form. Have you had any

10 discussions with anyone other than your lawyers about

11 this lawsuit?

12 A. Only discussions I've had is with my family

13 lawyer, and again he advised me that it would be too

14 costly for me personally to pursue a suit against

15 Barney Adams directly, that I should join the -- the

16 class that's already been established. And that's the

17 only discussions I've had.

18 Q. But other than lawyers, family lawyer

19 included, have you discussed the case with anyone else?

20 A. No, not the case.

21 Q. And again I apologize because I think this

22 was -- might have been touched on before, but is it

23 your understanding that today you don't own any stock

24 in Adams Golf?

25 A. That's correct.

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1 Q. Okay. And I know this has been asked, but I

2 would request on behalf of the underwriters that you

3 and your counsel could secure the records that would

4 show the sales of the stock, because what we have here

5 on Exhibit 27 doesn't seem to account for all of the

6 shares. And I'm just making that request on the

7 underwriter's behalf so that the record is clear.

8 A. Mm-hmm.

9 Q. I believe you said -- I believe you testified

10 earlier that the golf pro at the country club that you

11 are a member of said to you that golf clubs were being

12 sold at Costco at around 30 percent less than what he

13 was paying for them. Was that correct?

14 A. That's a correct statement.

15 Q. Okay. Do you know the name of the golf pro

16 that you were speaking to?

17 A. Back at that time that would be -- what was

18 that guy's name? We've had so many pros at our club.

19 Junior Salinas, I believe.

20 Q. What's the name of the club?

21 A. Walnut Creek Country Club.

22 Q. And you would have had this conversation back

23 in what year?

24 A. Back during the time -- back in what,

25 '90 -- sometime in '99.

TODD TONORE

2/25/2005 IN RE: ADAMS GOLF INC., SECURITIES LITIGATION

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1 Q. Now, did you have an agreement with A. G.
2 Edwards whereby they were authorized to buy stock for
3 you?
4 MS. FOX: I would object to the form. I
5 don't think there's any evidence that A. G. Edwards was
6 involved at the early -- here, like A. G. Edwards
7 turned into Edward Jones. Or Edward Jones turned into
8 A. G. Edwards.
9 THE WITNESS: Yeah, Edward Jones. Yeah,
10 when I -- if I've referred to A. G. Edwards, I meant
11 Edward Jones.
12 Q. (By Mr. McElvoy) I think that was my mistake.
13 A. Okay.
14 Q. Let me rephrase the question. Strike the
15 earlier one.
16 A. Yeah.
17 Q. Now, did you have an agreement with Edward
18 Jones whereby they were authorized to buy stock on your
19 behalf?
20 A. Only with my permission.
21 Q. Okay. So did Edward Jones or someone from
22 Edward Jones consult with you prior to the IPO and ask
23 you whether you wanted to invest in the stock?
24 A. No. I made that decision on my own.
25 Q. Okay. So you told Edward Jones to purchase

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1 the initial --
2 A. Right.
3 Q. -- stock on your behalf?
4 A. Right.
5 Q. Other than the e-mail that you sent to Adams
6 Golf that we discussed earlier, have you had any
7 communications with anyone at Adams Golf about this
8 stock offering?
9 A. No, I have not.
10 MR. McEVOY: Okay, that's all I have at
11 this time. Thank you very much.
12 THE WITNESS: All right.
13 MS. FOX: Do you have more?
14 MR. AHART: We don't have any further
15 questions.
16 MS. FOX: Okay, I have a couple of
17 questions.
18 FURTHER EXAMINATION
19 BY MS. FOX:
20 Q. Do you sometimes get confused by legal terms?
21 A. No doubt. I'm not a lawyer, so, yes. I get
22 confused when you say plaintiffs and defendants, not
23 being a lawyer, not being -- using those terms on a
24 daily basis, yes. I do get confused.
25 Q. Do you know what the term "interrogatory"

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1 means?
2 A. Not really.
3 Q. Do you understand what's meant by the term
4 "class period"?
5 A. No.
6 Q. Do you have an understanding of which persons
7 would be part of this class, when they would have
8 bought their stock? Think about it.
9 A. Now, repeat that. Do I have a --
10 Q. Do you have an understanding of when the
11 persons who are members of this class, which would
12 include you --
13 A. Right.
14 Q. -- bought their stock? What period of time?
15 A. Including myself, yes, it would have been from
16 the time of the IPO to 20 something days afterward, are
17 a member of the class that I'm a member of.
18 Q. When you use the term e-mail, do you mean
19 something slightly different?
20 A. Yes, I mean -- when I refer to -- the only
21 time e-mail occurred was when I e-mailed Adams Golf
22 directly. If I've used that term in -- in another
23 form, I meant going to -- just going to a Web page
24 or -- and basically just researching information.
25 MS. FOX: That's all the questions I

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1 have. Thanks.
2 THE WITNESS: Okay.
3 MR. AHART: Okay. We have no further
4 questions. Thank you for your time.
5 (Deposition closed at 12:40 p.m.)
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29 (Pages 110 to 113)



ADAMS GOLF, INC.
CERTIFICATION PURSUANT TO THE FEDERAL SECURITIES LAW

Todd Tonore ("Plaintiff"), duly swears and says, as to the claims asserted under the federal securities laws, that:

1. I have reviewed the complaint filed on behalf of Mark J. Lantz against Adams Golf, Inc. and its officers and directors, I approve of its contents, and I authorize a similar Complaint to be filed on my behalf.
2. I did not purchase the security that is the subject of this action at the direction of my counsel or in order to participate in this private action.
3. I am willing to serve as a representative plaintiff on behalf of the class, including providing testimony at deposition and trial, if necessary.
4. My transactions in the securities of Adams Golf, Inc.

Shares Purchased	Date of Purchase	Price Per Share
------------------	------------------	-----------------

SEE ATTACHED

Shares Sold	Date of Sale	Price Per Share
-------------	--------------	-----------------

SEE ATTACHED

5. I have not sought to serve as a class representative in any other action filed under the United States federal securities laws in the past three (3) preceding the date on which this certification is signed, except as listed below.
6. I have not and will not accept any payment for serving as a representative plaintiff on behalf of the class beyond my pro rata share of any recovery, or as ordered or approved by the court, including any award for reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed this 18 day of JULY, 1999, at 3:20 PM.
CENTRAL DAYLIGHT TIME

By: *[Signature]*

PRINT NAME: TODD TONORE

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KELLER ROHRBACK LLP
 SUITE 3200
 1201 THIRD AVENUE
 SEATTLE, WASHINGTON 98101-3052
 (206) 623-1900

TT 1

Edward Jones

AUTOMATED BROKER'S BOOK
ACTIVITY FOR ACCOUNT SEQUENCED BY PRODUCT

07/07/99

IR: 146906
Name: TONORE, TODD M
Phone: HOME - -
WORK P 817-453-8400

Acct: 146-03859 SINGLE
Occupation: MANAGER/SUPERVISOR
Acct Codes: H H H H H Sweeper: OFF
Inv Obj: GRW GRWI AGR

Product	Date	Activity	Qty In	Qty Out	Unit Price	Orig Cost	Y-T-M	Acc Int	Orig IR
ADAMS GOLF INC COM						Cusip=006228100		Symbol=ADGO	
	07/10/98	BOUGHT	500.0000		18 5/8	9469.23			
		Notes: P 70							
	07/27/98	BOUGHT	750.0000		12 1/2	9617.33			
	08/07/98	BOUGHT	1000.0000		9 7/8	10143.58			
	08/18/98	BOUGHT	750.0000		9 1/4	7102.70			
		Notes: P 80							
	08/24/98	BOUGHT	1000.0000		7 1/8	7352.33			
	08/28/98	BOUGHT	1000.0000		6 1/4	6464.20			
	09/11/98	BOUGHT	500.0000		5.0000	2607.95			
	01/08/99	BOUGHT	700.0000		3 1/2	2571.95			
	06/10/99	SOLD		2040.0000	3 1/32	6180.59			
AMPEX CORP DEL CL A						Cusip=032092108		Symbol=AXC	
	05/10/96	BOUGHT	1000.0000		11 1/8	11409.51			
	05/22/96	BOUGHT	200.0000		11 5/8	2406.95			
	05/28/96	SOLD		1200.0000	13 1/8	15392.14			
	06/10/96	BOUGHT	1000.0000		12 1/8	12422.01			
	06/19/96	BOUGHT	1000.0000		9 13/16	10040.44			
		Notes: P 85							
	07/10/96	BOUGHT	1000.0000		7 13/16	8026.67			
		Notes: P 90							
	07/11/96	BOUGHT	1000.0000		7.0000	7225.45			
	07/24/96	BOUGHT	1000.0000		6 7/16	6554.51			
	10/21/96	BOUGHT	1000.0000		6 7/16	6590.29			
		Notes: P 70							
	11/21/96	SOLD		6000.0000	8 1/2	50185.75			
		Notes: P 80							
ASTRA AB ADR (SPONSORED) REPR CL A ORD						Cusip=046298105		Symbol=A	
	11/13/97	BOUGHT	1000.0000		16 1/2	16781.95			
		Notes: P 80							
	12/09/97	SOLD		1000.0000	17 15/16	17567.23			
BANC ONE CORP COM						Cusip=059438101		Symbol=	
(See Also BANK ONE CORP & FIRST BANC GROUP OHIO INC)									
	03/08/96	SOLD		69.0000	35 1/2	2377.46			

ADAMS GOLF